



# FAR/DFARS Process

ESTHER MORSE

ARMY POLICY MEMBER  
DAR COUNCIL



# Miranda Rights for Contracting Officers



YOU HAVE THE RIGHT TO SIGN THIS CONTRACT.  
HOWEVER, IF YOU DO NOT SIGN THIS CONTRACT,  
WHAT YOU SIGN CAN AND WILL BE USED AGAINST  
YOU.

YOU HAVE THE RIGHT TO LEGAL COUNSEL.  
HOWEVER, AT THE FIRST SIGN OF TROUBLE, LEGAL  
COUNSEL WILL DISAVOW ANY KNOWLEDGE OF  
YOUR ACTIONS.



# GENERAL COMMENTS

- OFPP POLICY ACT - AUG 30, 1974
- AUTHORITY TO MANDATE FAR/DFARS CHANGES
- GOV'T CONTINUES TO LOSE CASES AT BOARDS AND IN COURT OVER NON-STANDARD CLAUSES
- FAR REWRITE PROJECT ON HOLD
- PART 15 REVIEW IN PROGRESS



# FAR SYSTEM

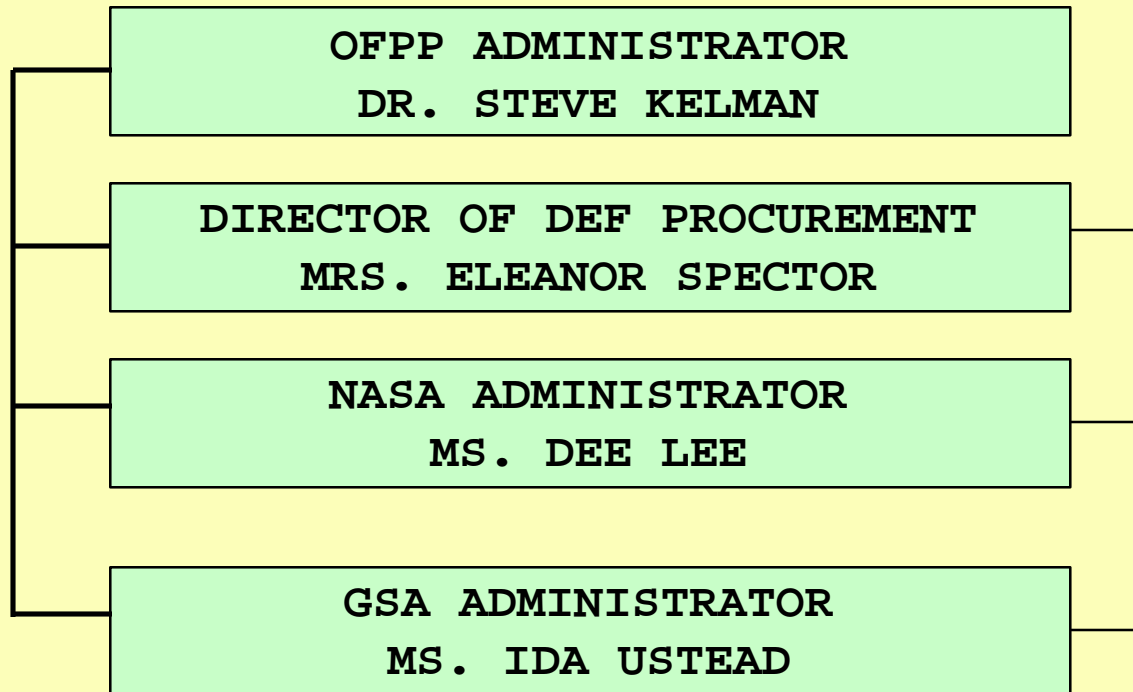
- ESTABLISHMENT OF FAR COUNCIL
- PRESCRIPTION FOR GOVT-WIDE POLICIES
- REQUIRE PUBLICATION OF PROPOSED POLICY FOR COMMENT





# FAR System

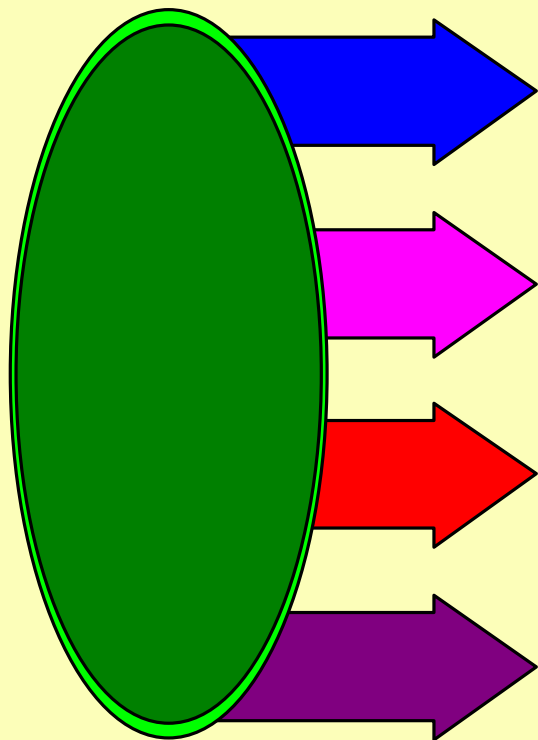
## FAR Council





# DAR COUNCIL FAR SYSTEM CONT'D

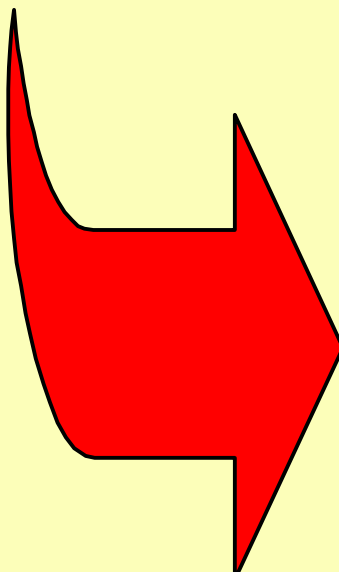
## DAR COUNCIL COMMITTEES



- . CONTRACT PLACEMENT
- . CONTRACT REPORTING
- . CONTRACT SERVICES/A-76
- . COST ACCOUNTING STANDARDS
- . COST PRINCIPLES
- . COMMERCIAL PRODUCTS/PRACTICES
- . CONSTRUCTION/A-E/ BONDS
- . CONTRACT ADMINISTRATION
- . CONTRACT FINANCE

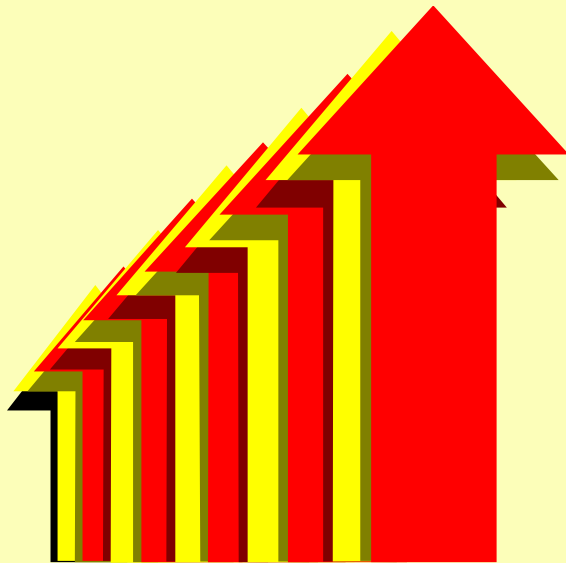


# DAR COUNCIL FAR SYSTEM CONT'D

- 
- . DEBARMENT, SUSPENSION & BUSINESS ETHICS
  - . ENVIRONMENTAL
  - . GOV'T PROPERTY/PLANT CLEARANCE
  - . INFORMATION RESOURCES
  - . INSURANCE
  - . INTERNATIONAL ACQUISITION



# DAR COUNCIL FAR SYSTEM CONT'D

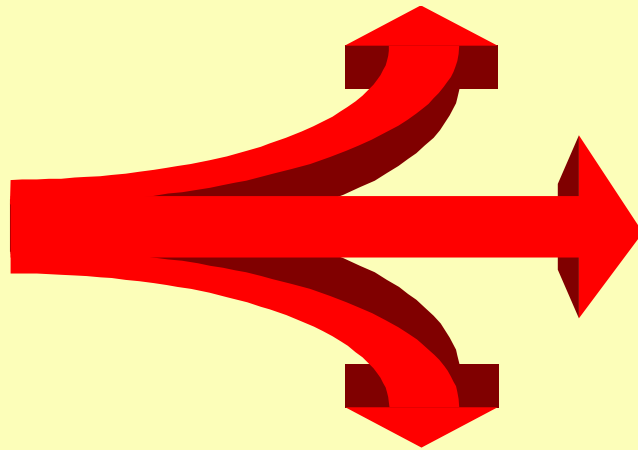


- . LABOR
- . PATENTS, DATA & COPYRIGHTS
- . PRICING
- . QUALITY ASSURANCE
- . RESEARCH & DEVELOPMENT
- . SMALL BUSINESS
- . SIMPLIFIED ACQUISITION





# DAR COUNCIL FAR SYSTEM CONT'D



SYSTEMS ACQUISITION

TAXES

TRANSPORTATION



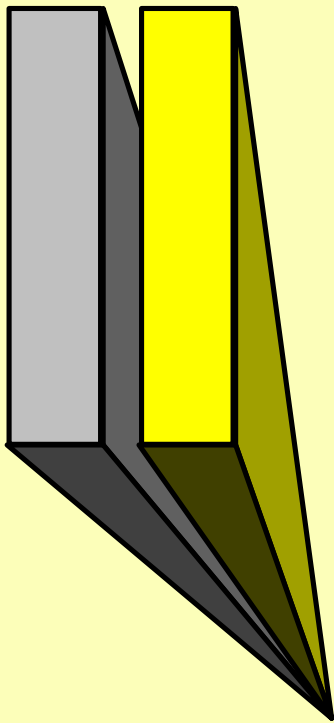
# CURRENT CASES

## DFARS CASE 94-D313 DETERMINATIONS UNDER BUY AMERICAN ACT

- . SYNOPSIS: AMENDS DFARS 225.102,  
ADDING FACTORS TO THOSE DOD  
MUST CONSIDER WHEN GRANTING  
EXCEPTIONS TO BUY AMERICAN ACT
- . STATUS: FINAL RULE - DAC 91-9



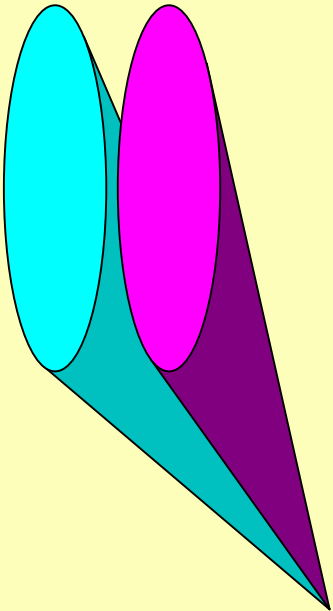
# CURRENT CASES



- . DFARS CASE 95-D007 CONTRACT QUALITY REQUIREMENTS
- . SYNOPSIS: REVISES DFARS 246 TO REPLACE REF TO MIL-I-45208 & MIL-Q-9858 STANDARDS (TO INCREASE USE OF COMMERCIAL QUALITY STANDARDS IN DOD CONTRACTS)
- . STATUS: FINAL RULE - DAC 91-9



# CURRENT CASES



- . FAR CASE 95-021 ALLOWABILITY OF FOREIGN SELLING COSTS
- . SYNOPSIS: INCREASES FOREIGN SELLING COSTS ALLOWABILITY CEILING FROM \$2.5 M TO \$5M AND DELETES OBSOLETE LANGUAGE IN FAR PART 31
- . STATUS: PROPOSED RULE



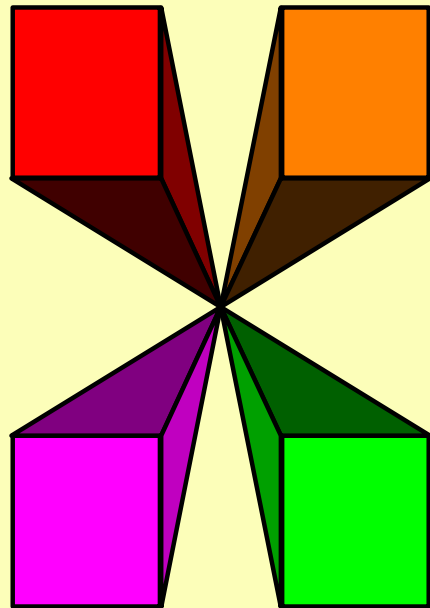
# CURRENT CASES



- . DFARS CASE 95-028D GROUND & FLIGHT SAFETY
- . SYNOPSIS: INCREASES CONTRACTOR'S FINANCIAL RESPONSIBILITY FOR DAMAGE OR LOSS TO AIRCRAFT FROM \$1,000 TO \$25,000
- . STATUS: PROPOSED RULE



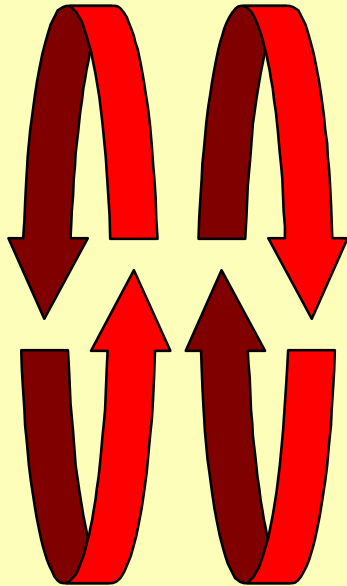
# CURRENT CASES



- . FAR CASE 95-017 FINAL OVERHEAD SETTLEMENT
- . SYNOPSIS: REVISES 42.705, REDUCES TIME FOR SETTLEMENT OF OVERHEAD RATES
- . STATUS: PROPOSED RULE



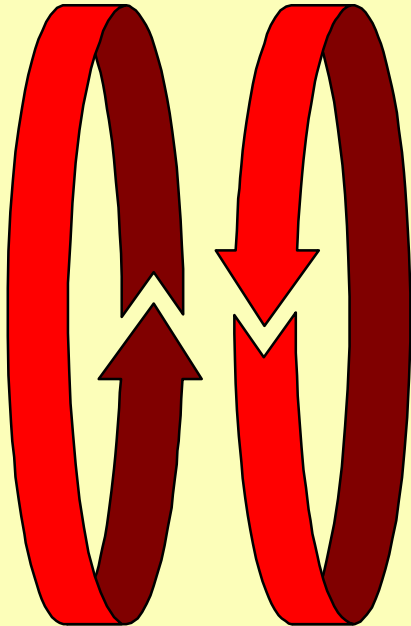
# CURRENT CASES



- . DFARS CASE 95-030 FLEXIBLE CONTRACT ADMIN SVCS
- . SYNOPSIS: REVISES RESTRICTIONS ON PROVISION OF CONTRACT ADMIN SVCS
- . STATUS: FINAL RULE



# CURRENT CASES

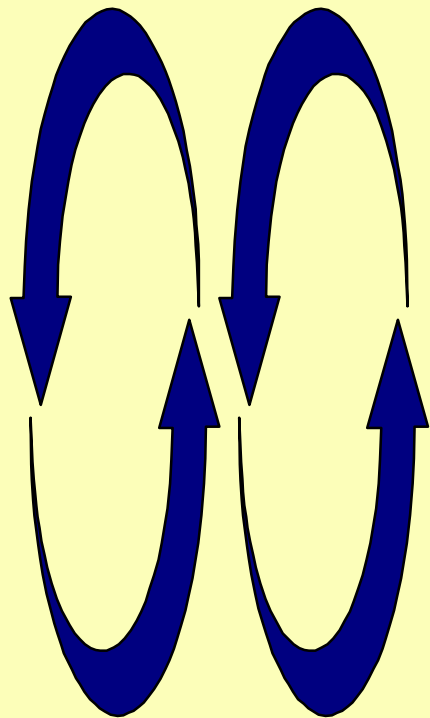


- . FAR CASE 91-040 ELECTRONIC CONTRACTING
- . SYNOPSIS: ESTABLISHES ELECTRONIC CONTRACTING POLICY & PROCEDURES
- . STATUS: FINAL RULE





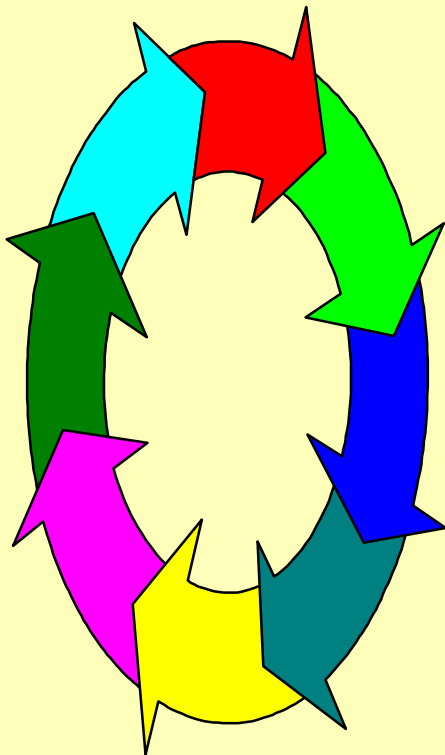
# CURRENT CASES



- . FAR CASE 93-307 OZONE DEPLETING SUBSTANCES
- . SYNOPSIS: IMPLEMENTS EXEC ORDER 12843 - PROVIDES POLICY & RQMTS FOR FED AGENCIES
- . STATUS: FINAL RULE - INTERIM RULE PUBLISHED 31 MAY 95



# CURRENT CASES

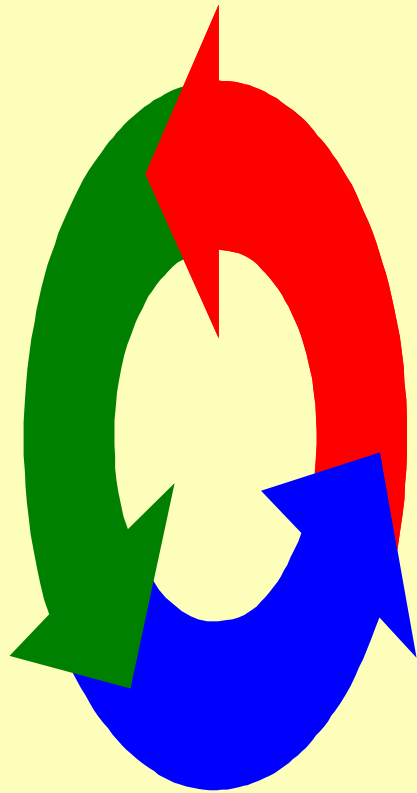


- . FAR CASE 95-309 AGENCY PROCUREMENT PROTESTS
- . SYNOPSIS : IMPLEMENTS EXEC ORDER 12979 - WILL REVISE FAR 33.103; ENCOURAGES ALTERNATE PROCEDURES
- . STATUS: DRAFT INTERIM RULE



# CURRENT CASES

- . DFARS CASE 95-D010 - FIELD PRICING RPT
- . AMENDS DFARS 215.805-5 TO INCREASE FROM \$1M TO \$10M THE DOLLAR THRESHOLD FOR REQUESTING FIELD PRICING RPTS FOR COST-TYPE PROPOSALS
- . FINAL RULE - DAC 91-9





# CURRENT CASES

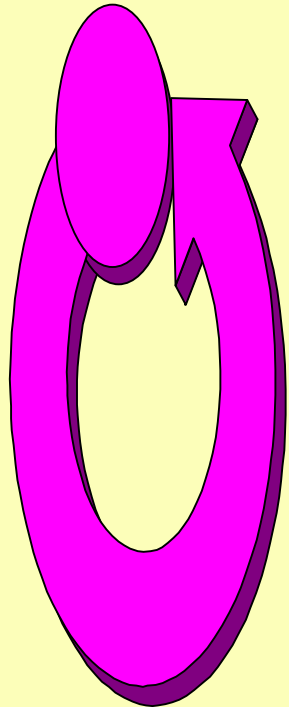
. DFARS CASE 95-D035 FIREFIGHTING & SECURITY GUARD SERVICES

. ADDS A NEW SECTION AT DFARS 237.102-70 TO REFLECT RQMTS OF 10 USC 2465, WHICH PROHIBITS USE OF DOD FUNDS FOR FIREFIGHTING OR SECURITY-GUARD SERVICES EXCEPT UNDER CERTAIN CONDITIONS.

. FINAL RULE - DAC 91-9



# CURRENT CASES



- . DFARS CASE 95-D038 - MASTER AGREEMENTS
- . DELETES DFARS 237.270. AUTHORITY TO AWARD MASTER AGREEMENTS FOR ADVISORY AND ASSISTANCE SVCS UNDER 10 USC 2304 EXPIRED SEPT 30, 1994.
- . FINAL RULE - DAC 91-9



# ACQUISITION REFORM

## DEFINITION

**A PHILOSOPHY OF CONTINUOUS PROCESS  
IMPROVEMENTS FOCUSED ON REENGINEERING  
THE ACQUISITION SYSTEM BY PROMOTING  
INNOVATION AND GOOD BUSINESS JUDGMENT  
AND CHANGES TO LAW, REGULATIONS, AND  
PROCESSES THAT IMPEDE SMART PRACTICES.**



# ARMY CHIEF OF STAFF'S VERSION



**"STAMPING OUT DUMBNESS"**

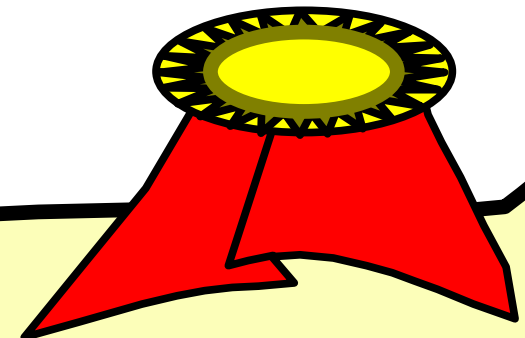


# FAR GUIDING PRINCIPLES

- FAC 90-29-3 JUL 95

- FAR PART 1

- VISION FOR FED ACQ SYSTEM: TO DELIVER ON A TIMELY BASIS THE BEST VALUE PRODUCT OR SERVICE TO THE CUSTOMER WHILE MAINTAINING THE PUBLIC'S TRUST AND FULFILLING PUBLIC POLICY OBJECTIVES





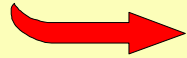


# GUIDING PRINCIPLES CONT'D

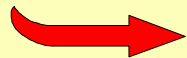
- SATISFY CUSTOMERS IN TERMS OF COST, QUALITY  
TIMELINESS
- MINIMIZE ADMIN OPERATING COSTS
- CONDUCT BUSINESS WITH INTEGRITY, FAIRNESS  
OPENNESS
- FULFILL PUBLIC POLICY OBJECTIVE



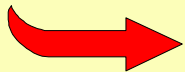
# FY 96 DEFENSE AUTHORIZATION BILL ACQUISITION REFORM



REPEALS BROOKS ACT; ELIMINATES GSBICA; MOVES ADPE  
OVERSIGHT FROM GSA TO OMB; ESTABLISHES GAO AS  
SINGLE BID PROTEST AGENCY



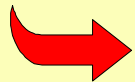
PERMITS USE OF SIMPLIFIED PROCEDURES FOR BUYING  
COMMERCIAL ITEMS UP TO \$5M



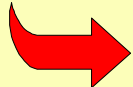
RAISES J&A THRESHOLDS FROM \$1M TO \$10M AT COMPETITION  
ADVOCATE LEVEL; FROM \$10M TO \$50M AT AAE LEVEL



# FY 96 DEFENSE AUTHORIZATION BILL ACQUISITION REFORM



REDUCES DEFENSE ACQUISITION PERSONNEL BY 15,000 IN FY96;  
BY 25% OVER FIVE YEARS



APPLIES PROCUREMENT INTEGRITY CONSISTENTLY TO DEFENSE  
AND CIVILIAN AGENCIES. ELIMINATES MOST CERTIFICATION  
REQUIREMENTS AND REDUCES POST-EMPLOYMENT RESTRICTIONS

